

NSC BRIEFING NOTES

30 June 1954

NATIONALIST SEIZURE OF SOVIET TANKER

I. At 0700 on 22 June, two Chinese Nationalist destroyer escorts intercepted the Soviet tanker, TUAPSE, bound for Shanghai from the Black Sea with a cargo of 12 thousand tons of Rumanian kerosene, in waters well south of Formosa. (9,000-ton tanker, built in Denmark, was delivered to the Soviet Union in 1953 in face US protest that action would violate Battle Act).

A. When boarded, TUAPSE crew first refused to take vessel to southern Formosan port of Kaohsiung but got under way when threatened with towing.

B. On arrival, Nationalist Navy analyzed cargo samples, stated kerosene was "low-grade." In this connection, US analysis of Rumanian kerosene destined for China showed a paraffin content, flash point and freezing point typical of illuminating kerosene.

C. Nationalists announced on 28 June that the cargo has been unloaded and have indicated that the TUAPSE will be released.

D.

[REDACTED]

the

vessel is not known to have left Nationalist hands

as of _____

State
Department
review
completed

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NSA, ONI reviews completed

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D. In mid-afternoon of 24 June, US ambassador Bohlen was summoned to receive a note protesting the TUAPSE's seizure "by the Naval forces of the US" and demanding "immediate" return of vessel and cargo as well as punishment of "responsible American personnel."

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IV. Background - Orbit petroleum for China.

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D. Increased shipments do not necessarily mean increased
Chinese Communist imports: more probably mean cut-back
in uneconomical rail shipments of POL on Trans-Siberian.

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Example:

Tanker cost, Constanta to Shanghai:	\$ 35.00 per ton	(140 rubles)
Rail cost, " " " :	140.00 per ton	(560 ")
	(four times greater)	
Tanker cost, Gulf to New Jersey:	\$ 2.00 per ton	
Rail cost, " " " " :	20.00 per ton	
	(ten times greater)	

- E. Cargo has been reported as lamp kerosene and was identified in the Soviet note to the US as "illuminating kerosene," for which large civilian demand exists in Communist China. Such a product would not ordinarily be used as jet fuel. Only reprocessing (for which no facilities in Shanghai) or addition of economically prohibitive quantities of gasoline or other blending material (example: 3 parts of gasoline to 1 of kerosene) could render such kerosene suitable for general use as jet fuel.
- F. If so converted, such kerosene could be used for jet operations in the Shanghai-Hangchow coastal area. At least 100 jet fighters (plus an additional 50 which may have transferred from Manchuria within the past month) are in the area.
- V. Background - Legal Basis.
- A. UN resolution (May 1951) called for embargo on shipment war materials (including POL) to Communist China, North Korea. Many UN members implemented resolution: Soviet bloc, some others refused.
- B. US recognizes fully belligerent status of Chinese Nationalists as group representing normal Chinese

sovereignty. Thus, Nationalists, in eyes of US, would have right, as act of war, to intercept any ship or cargo destined for enemy.

- C. In the USSR's view, Nationalists would be considered rebels or insurgents. Thus, any Russian charge of piracy would not be correct since, under international law, insurgents are accorded de facto belligerent recognition if they meet certain requirements (display insignia, carry arms openly, etc.).
- D. Thus, "belligerent recognition" would entitle Nationalists to seizure of any POL cargoes bound for mainland, and more so since title of TUAPSE cargo was held by Chinese Communists. However, the vessel would have to be returned to the USSR, with which Nationalists at peace.

VI. Background - Nationalist Blockade

Nationalists first announced a "port closure" in June 1949 to prevent shipping from reaching major ports on the Chinese coast. This decree technically still in force.

- A. By August 1953, Nationalist blockade activities had reached level which caused UK institute regular naval patrol protect British vessels in Formosan straits.
- B. Seizure of Polish tanker PRACA (October 1953) was first Nationalist interception east of Formosa, also first move against Bloc vessel. Extending interception range even farther, Nationalists (13 May 1954) seized

Polish freighter, GOTTWALD, some 400 miles east of Formosa. This was latest seizure until TUAPSE incident.

VII. Most significant aspect of Soviet reaction to date is protest note's attempt to assign sole responsibility for seizure to US.

- A. Moscow must have known true identity of intercepting warships.
- B. Studied omission of any reference to Chinese Nationalists could reflect Soviet embarrassment at strong action by regime habitually characterized by Moscow as "Chiang Kai-shek remnant clique."

VIII. Possible Future Soviet Courses of Action.

- A. Likely that USSR will delay immediate action in order to see whether Nationalists will soon release TUAPSE.
- B. Soviet note's "appropriate measures" phrase could be implemented at any time by provision of naval escort for vessels near Formosa.
 - 1. Such action would provide opportunity to restore Soviet prestige; would also show readiness resist any challenge to Soviet sea communications with Communist China.
 - 2. Action, however, would imply Soviet willingness risk incidents possibly involving US naval elements in waters which USSR acknowledges "controlled by US."
 - 3. Moreover, major escort effort could result in serious reduction defensive naval strength in Soviet Far East at time when open hostilities might be imminent.
- C. More likely that escort effort, if made, will be small-scale.

1. However, Formosa is 1,200 miles distance from Vladivostok means that such escort vessels probably need to be based at Chinese mainland ports, where facilities limited.

2. Risk of incidents would remain.

D. During waiting-period pending anticipated release of TUAPSE, Soviet propaganda is condemning seizure as further evidence US desire increase tensions, fan conflicts in Far East.

1. On diplomatic level, USSR may request Security Council action, on grounds that tanker case indicative US "aggressive intent" in Asia, constituting threat to peace.

2. Should TUAPSE be released promptly, Soviet propaganda line probably will be less vigorous, but will make capital of Nationalist seizure cargo.

E. On balance, believe due prestige considerations and importance economic commitment provide China oil, USSR will not permit indefinite interference with Pacific traffic. Expect tankers now delayed will soon resume voyages, possibly with escort.

1. USSR calculates this would not cause US counter-action.

2. Further calculates that "freedom of seas" doctrine implicit in action would be regarded favorably by most other maritime nations.

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